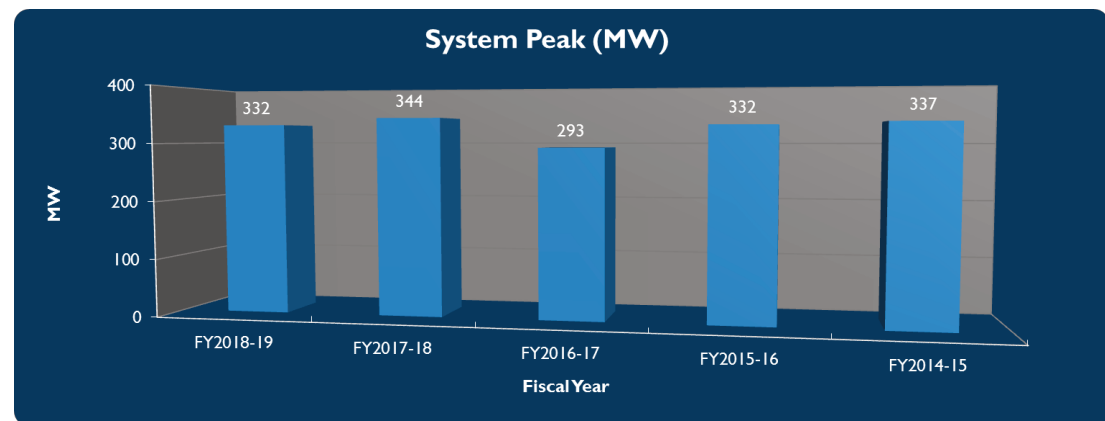
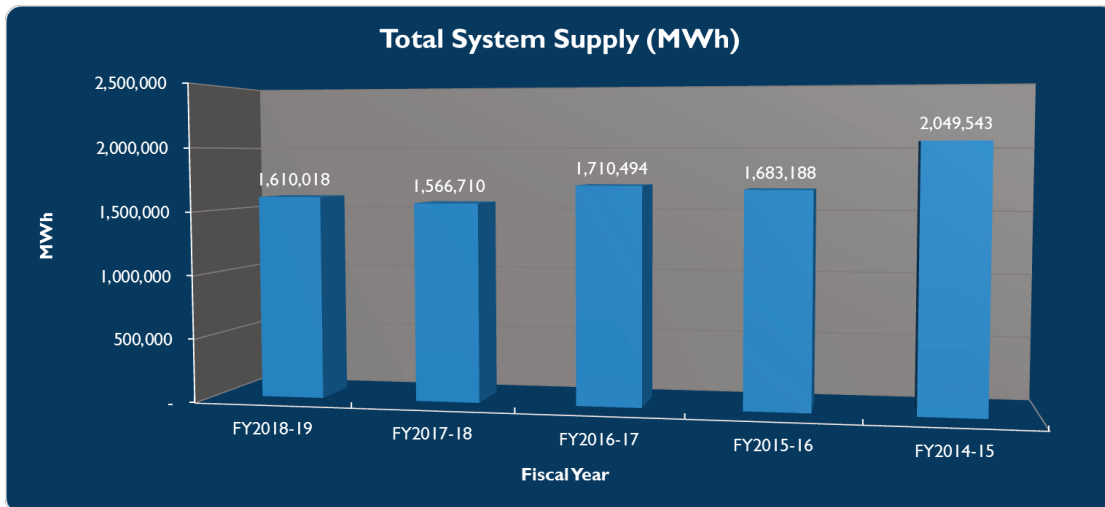
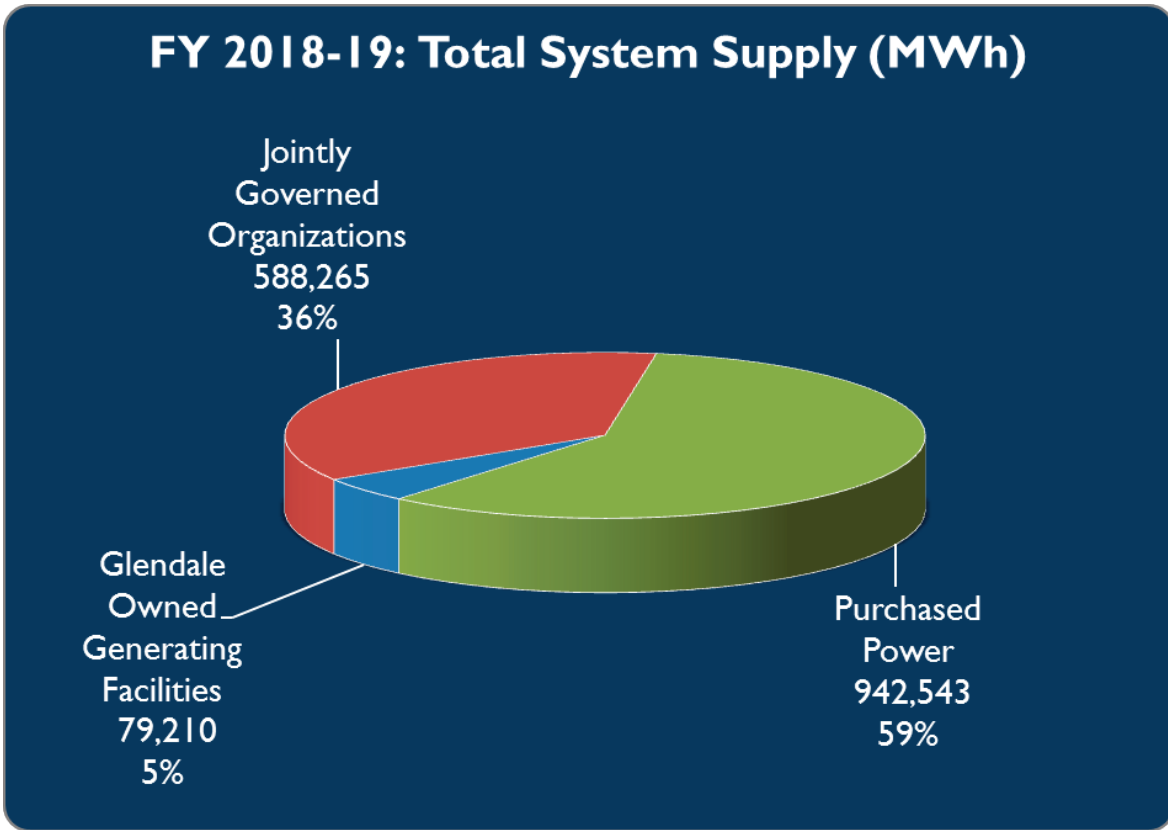


Last Five Years

| SYSTEM SUPPLY (MWH) | FY2018 19 | FY2017 18 | FY2016 17 | FY2015 16 | FY2014 15 |
|---|------------------|------------------|------------------|------------------|------------------|
| Owned Generation | | | | | |
| Glendale Owned Generating Facilities | | | | | |
| Natural Gas Units (Grayson) | 79,210 | 158,353 | 160,396 | 179,028 | 180,493 |
| Jointly Governed Organizations / Remote Ownership | | | | | |
| Intermountain Power Project (IPA) | 243,520 | 250,391 | 240,123 | 242,105 | 237,736 |
| PV Nuclear Generating Station (SCPPA) | 81,767 | 83,928 | 83,317 | 84,190 | 84,641 |
| San Juan Unit 3 (SCPPA) | | 57,026 | 136,669 | 112,255 | 129,710 |
| Magnolia Power Project (SCPPA) | 244,479 | 250,177 | 225,603 | 270,975 | 259,268 |
| Teton Hydropower Project (SCPPA) | 18,499 | 26,955 | 29,954 | 26,003 | 26,466 |
| Total Owned Generation | 667,475 | 826,830 | 876,062 | 914,556 | 918,314 |
| Purchased Power | | | | | |
| Purchased Power Contracts | 451,655 | 412,286 | 453,419 | 349,826 | 156,719 |
| Market Purchases | 490,888 | 327,594 | 381,013 | 418,806 | 974,510 |
| Total Purchased Power | 942,543 | 739,880 | 834,432 | 768,632 | 1,131,229 |
| Total System Supply | 1,610,018 | 1,566,710 | 1,710,494 | 1,683,188 | 2,049,543 |
| System Peak (MW) | 332 | 344 | 293 | 332 | 337 |



Not covered by independent auditor's report

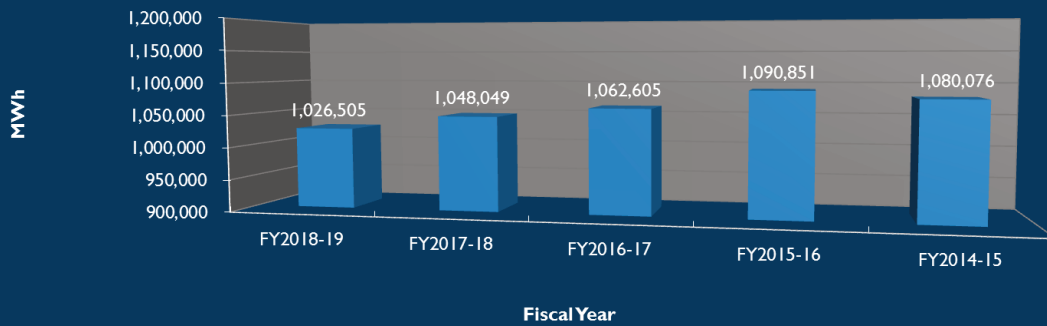


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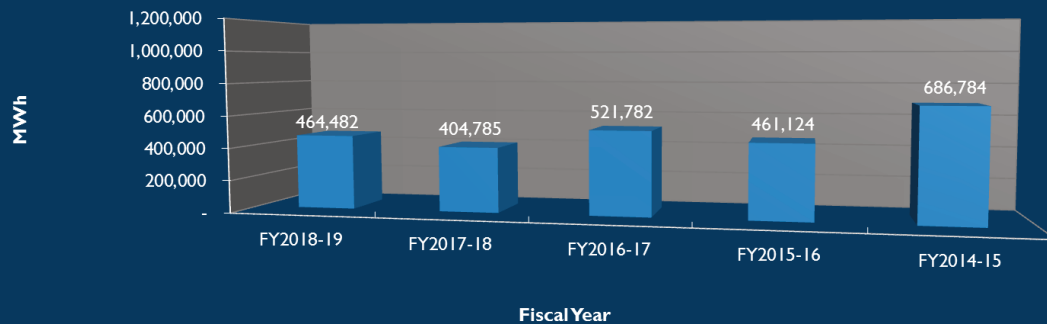
Last Five Years

| ELECTRIC USE | FY2018 19 | FY2017 18 | FY2016 17 | FY2015 16 | FY2014 15 |
|---|------------------|------------------|------------------|------------------|------------------|
| Average Number of Meters | | | | | |
| Residential | 76,256 | 75,589 | 74,783 | 74,176 | 73,678 |
| Commercial | 13,092 | 13,043 | 12,967 | 12,938 | 12,869 |
| Industrial | 195 | 196 | 211 | 212 | 214 |
| Streetlights | 21 | 21 | 21 | 21 | 21 |
| Total Meters All Classes | 89,564 | 88,849 | 87,982 | 87,347 | 86,782 |
| MEGAWATT HOUR SALES (MWh) | | | | | |
| Retail Sale of Electricity | | | | | |
| Residential | 371,625 | 369,703 | 372,746 | 383,783 | 372,426 |
| Commercial | 329,429 | 337,282 | 334,185 | 335,019 | 337,388 |
| Industrial | 316,244 | 331,859 | 346,427 | 362,867 | 361,719 |
| Streetlighting | 9,207 | 9,205 | 9,247 | 9,182 | 8,543 |
| Total Retail Sale of Electricity | 1,026,505 | 1,048,049 | 1,062,605 | 1,090,851 | 1,080,076 |
| Wholesale to Other Utilities | | | | | |
| Sales to Other Utilities | 464,482 | 404,785 | 521,782 | 461,124 | 512,846 |
| Wholesale | | | | | 173,938 |
| Total Wholesale to Other Utilities | 464,482 | 404,785 | 521,782 | 461,124 | 686,784 |
| Total Megawatt Hour Sales | 1,490,987 | 1,452,834 | 1,584,387 | 1,551,975 | 1,766,860 |

Retail Sale of Electricity (MWh)



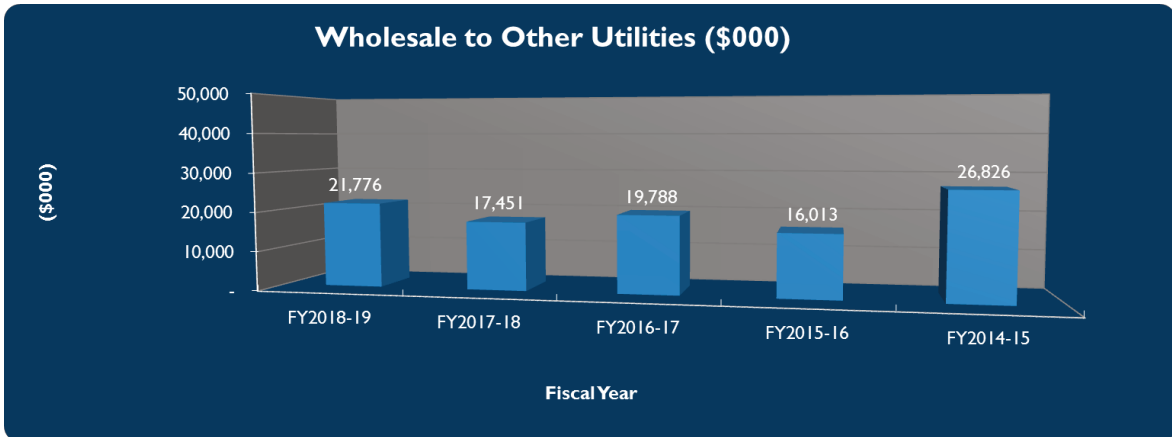
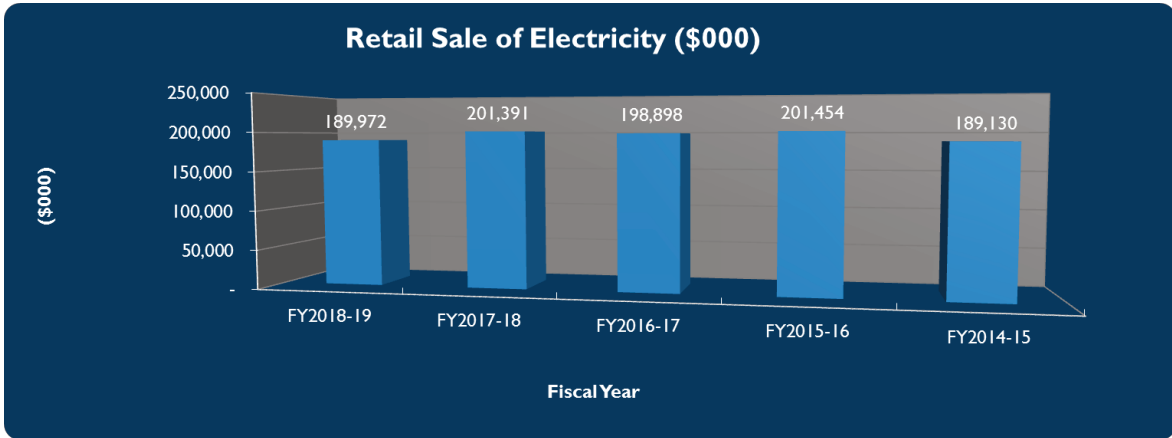
Wholesale to Other Utilities (MWh)



Not covered by independent auditor's report

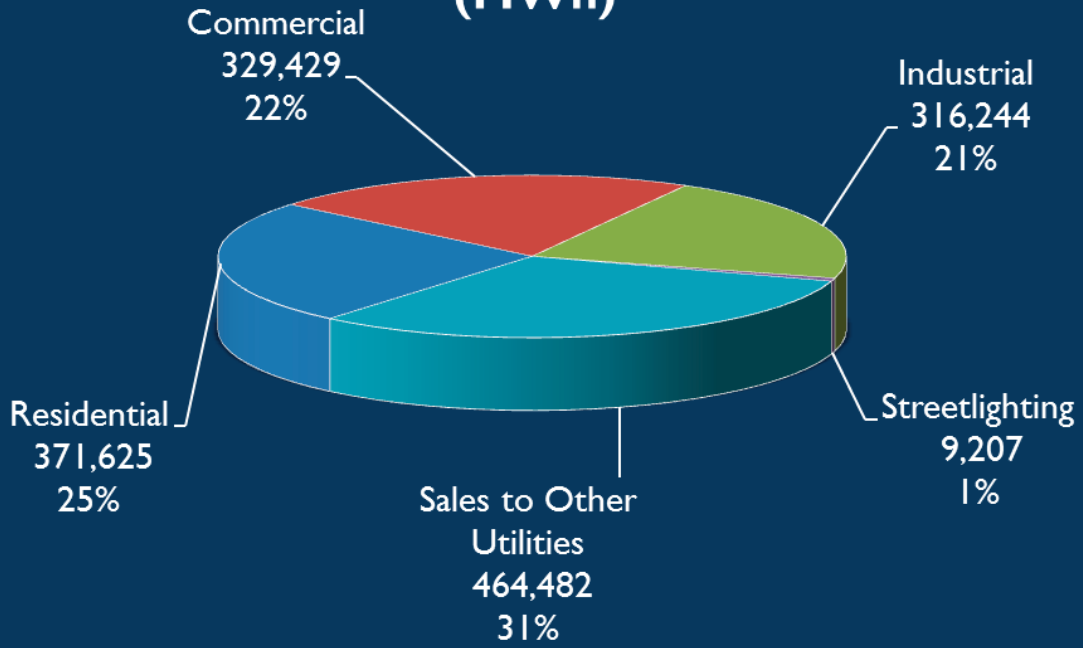
Last Five Years

| REVENUES (\$000) | FY2018 19 | FY2017 18 | FY2016 17 | FY2015 16 | FY2014 15 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Retail and Wholesale Revenues | | | | | |
| Retail Sale of Electricity | | | | | |
| Residential | \$ 72,591 | \$ 74,610 | \$ 73,139 | \$ 73,924 | \$ 67,754 |
| Commercial | 63,255 | 66,962 | 64,987 | 64,214 | 61,747 |
| Industrial | 54,120 | 59,813 | 60,766 | 63,310 | 59,626 |
| Streetlighting | 6 | 6 | 6 | 6 | 3 |
| Total Retail Sale of Electricity | 189,972 | 201,391 | 198,898 | 201,454 | 189,130 |
| Wholesale to Other Utilities | | | | | |
| Sales to Other Utilities | 21,776 | 17,451 | 19,788 | 16,013 | 19,042 |
| Wholesale Sales | | | | | 7,784 |
| Total Wholesale to Other Utilities | 21,776 | 17,451 | 19,788 | 16,013 | 26,826 |
| Total Retail and Wholesale Revenues | \$ 211,748 | \$ 218,842 | \$ 218,686 | \$ 217,467 | \$ 215,956 |

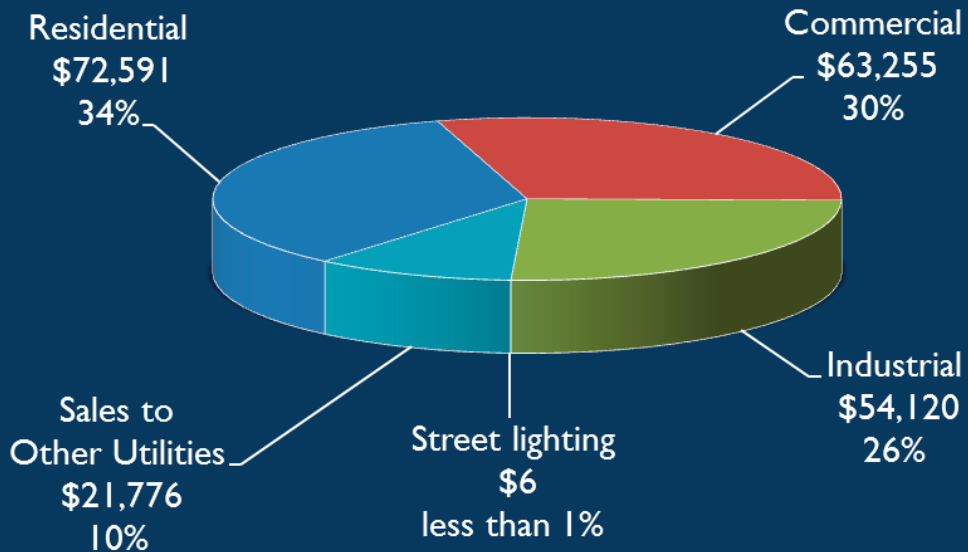


Not covered by independent auditor's report

FY2018-19: Sale of Electricity (MWh)



FY2018-19: Sale of Electricity (\$000)



Not covered by independent auditor's report

Last Five Years

| TRANSMISSION & DISTRIBUTION | FY2018 19 | FY2017 18 | FY2016 17 | FY2015 16 | FY2014 15 |
|--|------------------|------------------|------------------|------------------|------------------|
| Circuit Miles | | | | | |
| Overhead lines (miles) | 276 | 276 | 278 | 278 | 278 |
| Underground lines (miles) | 282 | 282 | 276 | 276 | 275 |
| Total Circuit Miles | 558 | 558 | 554 | 553 | 553 |
| Transformer Capacity, kVA | | | | | |
| 230kV to 69kV | 324,000 | 324,000 | 324,000 | 324,000 | 324,000 |
| 69kV to 35kV | 500,000 | 500,000 | 550,000 | 550,000 | 550,000 |
| 69kV to 12kV | 255,000 | 255,000 | 225,000 | 225,000 | 225,000 |
| 35kV to 12kV | 137,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| 35kV to 4kV | 126,000 | 126,000 | 124,000 | 124,000 | 128,000 |
| 13.8kV to 35kV | 186,800 | 187,000 | 187,000 | 187,000 | 187,000 |
| 13.8kV to 69kV | 99,000 | 99,000 | 99,000 | 99,000 | 99,000 |
| 373V to 69kV | 2,000 | | | | |
| 12 kV to Customer | 687,766 | 686,082 | 620,312 | 658,836 | 654,412 |
| 4 kV to Customer | 168,512 | 171,891 | 176,199 | 179,902 | 185,582 |
| ELECTRIC UTILITY FACTS | FY2018 19 | FY2017 18 | FY2016 17 | FY2015 16 | FY2014 15 |
| Operating Margin | 5.7% | 16.0% | 17.3% | 21.4% | 15.8% |
| Debt to Total Capitalization | 32.3% | 33.4% | 35.4% | 37.3% | 39.8% |
| Debt Service Coverage Ratio | 4.4 | 5.3 | 6.9 | 7.6 | 6.3 |

Not covered by independent auditor's report

| ELECTRIC UTILITY Class Trends (Overview) | Residential | Commercial | Industrial | Street lighting | Subtotal | Sales to Other Utilities | Total |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------------------|-------------------|
| Revenue from the Sale of Electricity (\$000) | | | | | | | |
| Year Ended June 30 | | | | | | | |
| 2019 | \$ 72,591 | \$ 63,255 | \$ 54,120 | \$ 6 | 189,972 | \$ 21,776 | \$ 211,748 |
| 2018 | 74,610 | 66,962 | 59,813 | 6 | 201,391 | 17,451 | 218,842 |
| Increase (Decrease) | \$ (2,019) | \$ (3,707) | \$ (5,693) | \$ | \$ (11,419) | \$ 4,325 | \$ (7,094) |
| Percent Increase () | 2.7% | 5.5% | 9.5% | 0.0% | 5.7% | 24.8% | 3.2% |
| Megawatt Hours Sold | | | | | | | |
| Year Ended June 30 | | | | | | | |
| 2019 | 371,625 | 329,429 | 316,244 | 9,207 | 1,026,505 | 464,482 | 1,490,987 |
| 2018 | 369,703 | 337,282 | 331,859 | 9,205 | 1,048,049 | 404,785 | 1,452,834 |
| Increase (Decrease) | 1,922 | (7,853) | (15,615) | 2 | (21,544) | 59,697 | 38,153 |
| Percent Increase () | 0.5% | 2.3% | 4.7% | 0.0% | 2.1% | 14.7% | 2.6% |
| Average Number of Meters | | | | | | | |
| Year Ended June 30 | | | | | | | |
| 2019 | 76,256 | 13,092 | 195 | 21 | 89,564 | N/A | 89,564 |
| 2018 | 75,589 | 13,043 | 196 | 21 | 88,849 | N/A | 88,849 |
| Increase (Decrease) | 667 | 49 | (1) | | 715 | N/A | 715 |
| Percent Increase () | 0.9% | 0.4% | 0.5% | 0.0% | 0.8% | N/A | 0.8% |

| ELECTRIC UTILITY Class Trends (Unit Cost) | Residential | Commercial | Industrial | Street lighting | Subtotal | Sales to Other Utilities | Total |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------|
| Average Billing Price per kWh | | | | | | | |
| Year Ended June 30 | | | | | | | |
| 2019 | \$ 0.1953 | \$ 0.1920 | \$ 0.1711 | \$ 0.0006 | \$ 0.1851 | \$ 0.0469 | \$ 0.1420 |
| 2018 | 0.2018 | 0.1985 | 0.1802 | 0.0007 | 0.1922 | 0.0431 | 0.1506 |
| Increase (Decrease) | \$ (0.0065) | \$ (0.0065) | \$ (0.0091) | \$ (0.0001) | \$ (0.0071) | \$ 0.0038 | \$ (0.0086) |
| Percent Increase () | 3.2% | 3.3% | 5.0% | 15.4% | 3.7% | 8.8% | 5.7% |

| ELECTRIC UTILITY Class Trends (Usage by Meter) | Residential | Commercial | Industrial | Street lighting | Subtotal | Sales to Other Utilities | Total |
|---|-------------|--------------|-----------------|--------------------|--------------|--------------------------------|--------------|
| Average Use by Meter, kWh | | | | | | | |
| Year Ended June 30 | | | | | | | |
| 2019 | 4,873 | 25,163 | 1,621,764 | 438,429 | 11,461 | N/A | 11,461 |
| 2018 | 4,891 | 25,859 | 1,693,158 | 438,333 | 11,796 | N/A | 11,796 |
| Increase (Decrease) | (18) | (696) | (71,394) | 96 | (335) | N/A | (335) |
| Percent Increase () | 0.4% | 2.7% | 4.2% | 0.0% | 2.8% | N/A | 2.8% |

Not covered by independent auditor's report



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and Members of City Council
of the City of Glendale, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position and related statement of revenues, expenses and changes in net position, and statement of cash flows of the Electric Enterprise Fund (the Fund) of the City of Glendale, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Fund’s basic financial statements, and have issued our report thereon dated November 26, 2019. Our report included an emphasis of matter paragraph regarding the fact that the financial statements present only the Fund of the City and do not purport to, and do not, present fairly the financial position of the City of Glendale, California, as of June 30, 2019, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fund’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
November 26, 2019